SCHEDULE
LIC

State Form 21926
(R3/12-05)

Indiana Department of Revenue
Enterprise Zone
Loan Interest Tax Credit
(Attach completed schedule to annual state tax liability return.)

814

For Tax Year Ending:
Month_____ Year _____

Section A - Taxpayer Information

Name of taxpayer (lender)	Social Security or Federal Identification Number
Street address	County
City or town, state and zip code	Taxpayer's telephone number ( )

Section B - Qualified Loan Information (Attach list of all borrowers) Section B continued on reverse side.

Name of borrower (A)	Borrower's Social Security or Federal Identification Number
Street address	Borrower's telephone number
City or town, state and zip code	

Use of loan (Check one):   Date of loan origination: Location name of borrower's Enterprise Zone

❏ Business   ❏ Personal

Section C - Report of Qualified Loans to Businesses by Enterprise Zone Locations
Summarize the number of qualified loans to businesses in each enterprise zone and the amount of interest received during the taxable year.

Enterprise Zone	(a) Number of Loans	(b) Interest Income	Enterprise Zone	(c) Number of Loans	(d) Interest Income
Bedford		$	Jeffersonville		$
Bloomington		$	Kokomo		$
Connersville		$	Lafayette		$
East Chicago		$	La Porte		$
Elkhart		$	Marion		$
Evansville		$	Michigan City		$
Ft. Harrison		$	Mitchell		$
Ft. Wayne		$	New Albany		$
Frankfort		$	Portage		$
Gary		$	Richmond		$
Grissom Aeroplex		$	Salem		$
Hammond		$	South Bend		$
Indiana Army Ammunition Plant		$	Terre Haute		$
Indianapolis		$	Vincennes		$
Subtotals		$	Subtotals		$

Section D - Credit for Qualified Loans for the Taxable Year

1. Grand total of all qualified loans to businesses listed in Section C, columns (a) and (c) .... | 1 |

2. Total amount of loan interest income received from qualified loans listed in Section C, columns (b) and (d) .... | 2 | $

3. Enter amount of loan interest income received from other qualified non-business loans made for home improvements

   within all enterprise zones .... | 3 | $

4. Total Loan Interest Credit - add amounts on lines 2 and 3; multiply result by five percent (.05) .... | 4 | $

5. Indicate for which tax type you are applying this credit. Enter net amount of tax you are offsetting:

   a ❏ Adjusted Gross Income Tax   b ❏   Insurance Premium Tax   c ❏ Financial Institutions Tax .... | 5 | $

   The tax offset may not exceed the amount of available credit from line 4.   *Carry amount on line 5 to other credit line of your return.*

6. Unused amount of credit available for carryover - subtract line 5 from line 4 and complete Section E .... | 6 | $

Section B - Qualified Loan Information Continued (Attach additional sheets if necessary.)	
Name of borrower (B)	Borrower's Social Security or Federal Identification Number
Street address	Borrower's telephone number
City or town, state and zip code	
Use of loan (business or personal): Date of loan origination:	Location name of borrower's Enterprise Zone
Name of borrower (C)	Borrower's Social Security or Federal Identification Number
Street address	Borrower's telephone number
City or town, state and zip code	
Use of loan (business or personal): Date of loan origination:	Location name of borrower's Enterprise Zone
Name of borrower (D)	Borrower's Social Security or Federal Identification Number
Street address	Borrower's telephone number
City or town, state and zip code	
Use of loan (business or personal): Date of loan origination:	Location name of borrower's Enterprise Zone

---

Section E - Enterprise Zone Interest Credit Carryover (814)

Enter below the initial tax period in which the Enterprise Zone Loan Interest Credit was claimed. Enter the remaining unused amount of credit from Section D, line 6.

Initial Tax Year Ending: Month _____ Year_____	**Enterprise Zone Loan Interest Credit Available** **For Carryforward from Section D, line 6: $_____**

Show how the unused credit is applied during the carryover period. Unused Credit (column 5) is to be placed on your return for the next tax year.

(1) Credit Carryforward	(2) Total Amount of Tax	(3) Type of Tax Liability Reduced	(4) Amount Applied	(5) Unused Credit
1st Following Tax Year _____				
2nd Following Tax Year _____				
3rd Following Tax Year _____				
4th Following Tax Year _____				
5th Following Tax Year _____				
6th Following Tax Year _____				
7th Following Tax Year _____				
8th Following Tax Year _____				
9th Following Tax Year _____				
10th Following Tax Year _____				

Section F - Signature

I certify, I have examined this schedule, and to the best of my knowledge and belief, the information contained in this schedule is true, correct and complete.

Signature of taxpayer: _____ Title: _____ Date signed: _____

Indiana Code (IC) 6-3.1-7-2 provides that a taxpayer who is in good standing with the Indiana Economic Development Corporation is entitled to a state income tax credit of five percent (5%) of the interest income received from qualified loans made during the year. To qualify, the loan proceeds must be for purposes directly related to businesses located in an enterprise zone or for improvements increasing the assessed value of real property located in an enterprise zone.* A "qualified loan" also means a loan made to an individual or business that uses the loan proceeds toward the rehabilitation, repair, or improvement of a residence within an enterprise zone.

*Enterprise zone created under IC 5-28-15 or airport development zone (code # 802) designated under IC 8-22-3.5-14.

Maps of enterprise zones and addresses may be found on the Web address:
www.in.gov/dor/reference/ez/ezmaplist.html

Who may file for this credit?

For the purposes of eligibility, for the Loan Interest Credit, a taxpayer in good standing is defined as an entity conducting business operations within an enterprise zone that,
1) Receives interest on a qualified loan made during the tax year,
2) Pays the registration fee charged to zone businesses under IC 5-28-15-5,
3) Provides the assistance to urban enterprise associations required from zone businesses under IC 5-28-15-5(b), and
4) Complies with any requirements adopted by the board of the Indiana Economic Development Corporation for taxpayers claiming the Enterprise Zone Loan Interest Credit.

Note: If the taxpayer is located outside of an enterprise zone, the taxpayer is not required to reinvest its incentives within the enterprise zone, other than complying with (2) and (3) above.

How often can I claim a credit?

A claim for credit is filed annually for each qualified loan or in combination with all qualified loans made during the taxable year.

Section A – Taxpayer Information

1) Type or print lender's name and address.
2) Enter lender's Social Security or federal ID number.
3) Enter Indiana county or O.O.S. (out-of-state).
4) Enter telephone number.

Section B – Qualified Loan Information

Enter the following information for each qualified loan or provide a combined listing of borrowers within every enterprise zone. Attach additional sheets as necessary (type or print):

1) The borrower's name and location address within the enterprise zone.
2) Enter borrower's Social Security or federal identification number.
3) Enter borrower's telephone number.
4) Indicate purpose of loan (business or personal home improvement) and date of loan origination.
5) Name of the borrower's enterprise zone location.

Section C – Report of Qualified Loans to Businesses by Enterprise Zone Locations

Summarize the number of qualified loans made during the taxable year according to the enterprise zone in which the loan proceeds are used by business borrower(s) (listed in Section B).

Enter the total amount of interest income received from qualified loans to businesses during the taxable year attributed to the enterprise zone location of the borrower(s), columns (a) and (c).

For purposes of the loan interest credit, interest includes service charges, time-price differentials and all other charges for the use of money. Interest received from loans and lines of credit existing at the time an enterprise zone was designated qualify for the credit if the proceeds are used for a qualified purpose. Interest from mortgage loans to acquire property does not qualify unless the property is used for business purposes (including renting or leasing). If the proceeds of a loan are used to both acquire and improve real property and the acquisition is not for a business purpose, only that portion of the interest attributable to the improvement of the property would qualify for the loan interest credit. If the loan proceeds are used to acquire business property which is subsequently removed from an enterprise zone, only the interest received while the property was used for a business purpose within the enterprise zone would qualify for the credit.

Section D – Credit for Qualified Loans for the Taxable Year

Line 1. Enter grand total of all qualified loans to businesses listed in Section C, columns (a) and (c).

Line 2. Enter amount of loan interest income received from businesses during the taxable year from qualified loans listed in Section C, columns (b) and (d).

Line 3. Enter total other loan interest income received from non-business loans made for the purposes of rehabilitation, repair, or improvement of a residence or for improvements that increase the assessed value of real property located in any enterprise zone.

Line 4. Add amount of business and non-business interest income together and multiply result by five (5) percent.

Enterprise Zone LIC Instructions continued…

Line 5. Indicate the state tax liability you wish to offset by checking the appropriate tax type box and by entering the net amount of your state tax liability. Note: The net amount of tax entered on line 5 must be reduced by all other applicable tax liability credits and may not be greater than the amount on line 4. Carry the net amount of credit to be used to your tax type return.

Line 6. Subtract line 5 from line 4. Result may not be less than zero. If greater than zero, carry the excess unused amount of credit to Section E.

Section E – Enterprise Zone Loan Interest Carryover

Complete this section whenever there is a carryover of unused Loan Interest Credit. The amount of credit carryover from a taxable year shall be reduced to the extent that the carryover is used by the taxpayer to obtain credit against allowable state tax liabilities for any subsequent taxable year. Carryover is allowed up to ten (10) years following the date on which a qualified loan credit is claimed but not beyond the phase-out period that terminates the enterprise zone from which a qualified loan had originated.

Enter in each column the applicable date or amounts for every succeeding taxable year in which a credit carryover is used.

Section F – Signature

The taxpayer or an authorized agent must sign this schedule.

Where can I claim this credit?

The Loan Interest Credit can be applied as a credit against the taxpayer's adjusted gross income tax (IC 6-3-1 through 6-3-7), insurance premium tax (IC 27-1-18-2) and financial institution tax (6-5.5). A copy of Schedule LIC must be attached to the return or the credit will be disallowed. The credit amount calculated on the LIC is to be taken as a credit against your tax liability on the return in the order listed above after first applying other credits allowed under IC 6-3.1-1-2. Refer to Income Tax Information Bulletin #66 for additional information. Please see instructions for your tax return to determine where the credit should be entered on the various tax forms.

What if I do not use all of my credit?

Any unused credit may be carried over to the next eligible tax return to be filed up to ten (10) years from the date of the loan until all credit has been used or the enterprise zone terminates.

Note: A taxpayer is not entitled to a carry back or refund of any unused credit. The statute does allow for you to carry forward any unused credit.

What if I am an entity exempt from Adjusted Gross Income Tax?

Entities exempt from adjusted gross income tax under IC 6-3-2-2.8(2) may "pass-through" the credit to shareholders, partners, beneficiaries or members of the pass-through entity. A pass-through entity is a S corporation, partnership, trust, limited liability company or limited liability partnership. Each member's tax credit is calculated by multiplying the total credit available by the percentage of the entity's distributive income to which the shareholder, partner, beneficiary or member is entitled. The pro rata share of the calculated credit is reported by the entity on the each unit-holder's Schedule IN K-1. A copy of Schedule LIC or IN K-1 must be attached to the return to claim your share of the credit.

Who do I contact if I have questions about the Enterprise Zone Loan Interest Credit?

Questions concerning enterprise zone income tax provisions should be directed to:

Indiana Department of Revenue
Returns Processing Center
Corporate Income Tax Section
100 N. Senate
Indianapolis, Indiana 46204-2253
317- 615-2662
Web address: **www.in.gov/dor/**

For questions concerning other provisions related to enterprise zones and current locations within the designated cities, contact:

Indiana Economic Development Corporation
One North Capitol, Suite 700
Indianapolis, Indiana 46204
317- 232-8800
Web address: **www.iedc.in.gov/**